

To the Board of Directors,
Terrebonne Council on Aging, Inc.,
Houma, Louisiana.

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Terrebonne Council on Aging, Inc. (the Council), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended June 30, 2014, which collectively comprise the Council's basic financial statements and have issued our report thereon dated December 4, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. In planning and performing our audit, we considered the Council's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control over financial reporting.

However, during our audit we became aware of certain matters, which represent an opportunity for strengthening internal controls and immaterial noncompliance with certain provisions of laws, regulations, contracts and grants. The memorandum that accompanies this letter summarizes our suggestions and recommendations regarding these matters. We previously reported on the Council's internal control and compliance in our report dated December 4, 2014. This letter does not affect our report dated December 4, 2014 on the basic financial statements of the Council.

We will review the status of these comments during our next audit engagement. We have already discussed the comments and recommendations with the Council, and we will be pleased to discuss it in further detail at your convenience, to perform an additional study of the matter or to assist you in implementing the recommendation.

Sincerely,

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
December 4, 2014.

MANAGEMENT COMMENTS

Terrebonne Council on Aging, Inc.

For the year ended June 30, 2014

14-01 Condition – The Office of Elderly Affairs allows a maximum of 10 percent line item budget variance. During our test of the budget it was noted the line item of operating services had a variance of 21.08% in Title III C-2 Home Delivered Meals Fund.

Recommendation – We recommend that the Council comply with GOEA budget requirements which state the Council should amend its budget in cases where actual costs for a particular cost category exceed the budgeted amount by more than 10%.

Terrebonne Council on Aging, Inc.

Houma, Louisiana

For the year ended June 30, 2014

TABLE OF CONTENTS

Terrebonne Council on Aging, Inc.

For the year ended June 30, 2014

	<u>Exhibit</u>	<u>Page Number</u>
Introductory Section		
Title Page		i
Table of Contents		ii – iv
Principal Officials		v
Financial Section		
Independent Auditor's Report		1 – 3
Management's Discussion and Analysis		4 – 10
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	A	11
Statement of Activities	B	12
Fund Financial Statements:		
Fund Balance Sheet - Governmental Funds	C	13 – 14
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	D	15
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	E	16 – 17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	F	18

TABLE OF CONTENTS
(Continued)

	<u>Exhibit</u>	<u>Page Number</u>
Financial Section (Continued)		
Notes to Financial Statements	G	19 – 45
GASB Required Supplementary Information Section		
Required Supplementary Information-Budgetary Comparison Schedule - General Fund	H	46
Required Supplementary Information-Budgetary Comparison Schedule - Title III B - Supportive Services Fund	I	47
Required Supplementary Information-Budgetary Comparison Schedule - Title III C-2 - Home Delivered Meals Fund	J	48
Required Supplementary Information-Budgetary Comparison Schedule – Rural Transportation Fund	K	49
Note to Required Supplementary Information Budgetary Reporting	L	50 – 51
	<u>Schedule</u>	
Supplementary Information Section		
Balance Sheet - Governmental Fund - General Fund Programs	1	52
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund - General Fund Programs	2	53
Combining Balance Sheet - Nonmajor Governmental Funds	3	54 – 57
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	4	58 – 61

TABLE OF CONTENTS

(Continued)

	<u>Schedule</u>	<u>Page Number</u>
Supplementary Information Section (Continued)		
Comparative Statement of Capital Assets and Changes in Capital Assets	5	62
Units of Service (Unaudited)	6	63
Special Reports of Certified Public Accountants		
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>		64 – 65
Independent Auditor's Report on Compliance for Each Major Program and on Internal Internal Control Over Compliance in Accordance with OMB Circular A-133		66 – 67
Schedule of Expenditures of Federal Awards		68
Notes to Schedule of Expenditures of Federal Awards		69
Schedule of Findings and Questioned Costs		70 – 71
Reports by Management		
Schedule of Prior Year Findings and Questioned Costs		72
Management's Corrective Action Plan		73

PRINCIPAL OFFICIALS

Terrebonne Council on Aging, Inc.

June 30, 2014

BOARD OF DIRECTORS

	Term <u>Expiration Date</u>
Debra Marcel Thibodeaux	December 31, 2014
Peggy Pellegrin Lirette	December 31, 2014
Cynthia A. Voisin, Secretary	December 31, 2014
Natalie Bergeron, Vice Chairman	December 31, 2014
C. Kirby Verret, Chairman	December 31, 2015
JoAnne Plessala, Treasurer	December 31, 2015
Victoria Rouse	December 31, 2015
June Williams	December 31, 2015
Ivy Dupre	December 31, 2015
H. Rene Rhodes	December 31, 2016
Stanley Yancey	December 31, 2016

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
Terrebonne Council on Aging, Inc.,
Houma, Louisiana.

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Terrebonne Council on Aging, Inc., (the Council), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of content.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we

express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Terrebonne Council on Aging, Inc., as of June 30, 2014, and the respective changes in financial position thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Schedules on pages 4 through 10 and 46 through 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires with management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The supplementary information section is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and is also not a required part of the basic financial statements.

The accompanying financial information listed in the supplementary information section, except for the information contained in Schedule 6, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. Schedule 6, Units of Service, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 4, 2014 on our consideration of the Terrebonne Council on Aging, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Council's internal control over financial reporting and compliance.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
December 4, 2014.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Terrebonne Council on Aging, Inc.

The Management's Discussion and Analysis of the Terrebonne Council on Aging, Inc.'s (the Council) financial performance presents a narrative overview and analysis of the Council's financial activities for the year ended June 30, 2014. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The Council's assets exceeded its liabilities at the close of fiscal year 2014 by \$24,062,751 (net position), which represents a 11.19% increase from last fiscal year.

The Council's revenue decreased \$1,166,151 (or 12.46%) as a result of non-recurring capital grants provided through Department of Transportation's Public Transportation Capital Assistance Program received in the prior year and prior year settlements of property taxes filed in protest.

The Council's expenditures decreased \$8,112 (or 0.14%) primarily due to increases in information and assistance, transportation, and medicare management being offset by the decreases in nutrition services and utility assistance.

Capital assets increased by \$56,914, net of \$436,837 in depreciation. The increase is due to the addition of 3 vans, computers, camera equipment and completion of the washbay, and the Schriever Senior Center parking lot projects.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Council's basic financial statements. The Council's annual report consists of five parts: (1) management's discussion and analysis (this section) (2) basic financial statements (3) required supplementary information, and (4) the optional section that presents combining statements for the General Fund and non-major governmental funds and other supplementary information and (5) various governmental compliance reports and schedules by certified public accountants and management.

The basic financial statements include two kinds of statements that present different views of the Council:

Government-wide Financial Statements

The government-wide financial statements (see Exhibits A and B) are designed to provide readers with a broad overview of the Council's finances, in a manner similar to a private sector business. The statement of net position presents information on all of the Council's assets, deferred outflows

of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Council is improving or deteriorating. The statement of activities presents information showing how the Council's net position changed during each fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The governmental activity of the Council is health and welfare which is comprised of various programs that include various supportive services, nutritional services, utility assistance and respite.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the Council are governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities (Exhibits D and F).

The Council has presented the General Fund, Title III B – Supportive Services Fund, Title III C-2 – Home Delivered Meals Fund and Rural Transportation Fund as major funds (Exhibits C & E). All non-major governmental funds are presented in one column, titled Other Governmental Funds. Combining financial statements of the non-major funds can be found in the Combining Fund Statements that follow the basic financial statements (Schedules 3 and 4).

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in Exhibit G of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in

the financial statements. The Governmental Accounting Standards Board (GASB) Statement No. 34 requires budgetary comparison schedules for the General Fund and each major Special Revenue Fund that has a legally adopted budget (Exhibits H, I, J and K).

The Council has a section of supplementary information. The Governor's Office of Elderly Affairs (GOEA) has required the Council to present combining statements that provide details about non-major governmental funds and details about capital assets and the changes in capital assets. This information will be used by GOEA to verify the accuracy of information submitted to them during the year and to help monitor certain compliance requirements set forth in the grants that it has with the Council (Schedules 3, 4 and 5). GOEA also requires the Council to present combining schedules of its General Fund Programs (Schedules 1 and 2), and a comparative schedule of Units of Service (Schedule 6).

The Office of Management and Budget through its Circular A-133 requires a Schedule of Expenditures of Federal Awards. This schedule presents required information about the Council's Federally funded programs in a manner that can facilitate financial and compliance analysis by the agencies that have granted Federal money to the Council.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the Council's financial position. As of June 30, 2014, assets exceeded liabilities by \$24,062,751. A large portion of the Council's net position (25.45%) reflects its investment in capital assets (e.g., land; construction in progress; buildings and leasehold improvements; office furniture, fixtures and equipment; vehicles, machinery and equipment). Consequently, these assets are not available for future spending.

Condensed Statements of Net Position

	June 30,		Dollar
	2014	2013	Change
Current and other assets	\$ 21,672,544	\$ 19,238,183	\$ 2,434,361
Capital assets	6,123,879	6,066,965	56,914
Total assets	27,796,423	25,305,148	2,491,275
Long-term liabilities outstanding	211,042	197,795	13,247
Other liabilities	295,869	437,271	(141,402)
Unavailable revenues	3,226,761	3,029,375	197,386
Total liabilities	3,733,672	3,664,441	69,231
Net Position:			
Net investment in capital assets	6,123,879	6,066,965	56,914
Restricted	9,105	12,610	(3,505)
Unrestricted	17,929,767	15,561,132	2,368,635
Total net position	\$ 24,062,751	\$ 21,640,707	\$ 2,422,044

Governmental Activities

Governmental activities increased the Council's net position by \$2,422,044. Key elements of this increase are as follows:

Condensed Changes in Net Position

	For the year ended June 30,		Dollar Change	Total Percent Change
	2014	2013		
Revenues:				
Program revenues:				
Charges for services	\$ 124,695	\$ 38,769	\$ 85,926	221.64%
Operating grants and contributions	1,188,434	1,312,028	(123,594)	-9.42%
Capital grants and contributions	235,011	824,198	(589,187)	-71.49%
General revenues:				
Property taxes	6,288,664	6,812,681	(524,017)	-7.69%
Grants and contributions not restricted to specific programs	300,575	292,818	7,757	2.65%
Unrestricted investment earnings	34,711	34,309	402	1.17%
Miscellaneous	18,264	41,702	(23,438)	-56.20%
Total revenues	8,190,354	9,356,505	(1,166,151)	-12.46%
Expenses:				
Health and welfare	5,768,310	5,776,422	(8,112)	-0.14%
Increase in net position	2,422,044	3,580,083	(1,158,039)	-32.35%
Net position beginning of year	21,640,707	18,060,624	3,580,083	19.82%
Net position end of year	\$ 24,062,751	\$ 21,640,707	\$ 2,422,044	11.19%

Property taxes decreased due to a significant amount protest taxes settled during the prior year. Capital grants and contributions decreased as a result of non-recurring ARRA - Public Transportation Capital Assistance Program received in the prior year. Expenses decreased slightly because increases in fringes, operating and other services were offset by decreases in nutrition services and utility assistance.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Council uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Council's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Council's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Council's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Council's governmental funds reported combined ending fund balances of \$18,149,914, an increase of \$2,378,377 in comparison with the prior year. The Council's total General Fund balance increased by \$2,388,870 during the current fiscal year, whereas the combined decrease in fund balance for all other governmental funds was \$10,493. The unassigned fund balance component of the General Fund was \$15,610,719 (Exhibit C) and is available for spending at the Council's discretion. The remainder of the General Fund's fund balance of \$2,499,530 is comprised of \$496,891 of nonspendable resources, \$928 of restricted resources, \$1,928,220 of committed resources and \$73,491 of assigned resources. The \$39,665 fund balance of all other governmental funds is comprised of \$20,004 of restricted resources, and the remaining \$19,661 is assigned.

General Fund Budgetary Highlights

The budget was amended once during the year. The primary reason for amending the budget was to prevent compliance violations under the Council's grants from GOEA due to unanticipated changes in revenue and expenditures. The major differences between the original General Fund budget and the final amended budget were as follows:

Revenues

- Ad Valorem Tax revenue (net of deductions and adjustments) increased by \$392,869 to reflect the collections made during the year.
- Intergovernmental revenue decreased by \$203,700 due to decreases in anticipated grants.
- Interest income revenue decreased by \$29,500 to reflect the interest income received during the year.
- Miscellaneous revenue increased by \$8,424 to reflect revenue from the sale of assets.

Expenditures

- Total expenditures (excluding ad valorem tax deductions and adjustments) decreased by \$18,668 due to the net effect of decreases, salaries, fringe benefits, operating supplies and capital outlay and the increase in travel, operating services and supplies.

The major differences in the original and final budgets of other major funds includes Title III B Supportive Services, where expenditures decreased by \$77,525, primarily due to the decreases in salaries, fringe benefits and operating services during the year. Title III C Home Delivered Meals Fund decreased total expenditures by \$394,742 to reflect decreases in salaries, fringe benefits, operating services and supplies and meals. Also in Rural Transportation expenditures were increased by \$114,564 due to increases in salaries, fringe benefits, operating services and operating supplies throughout the year.

During the year, actual revenues and expenditures exceeded the amount of final budgetary estimates in the General Fund. Required supplementary information budgetary comparison schedules were prepared for the General Fund and each major Special Revenue Fund (Exhibits H, I, J and K).

CAPITAL ASSETS

Capital Assets

The Council's investment in capital assets for its governmental activities as of June 30, 2014, amounts to \$6,123,879 (net of accumulated depreciation). This investment in capital assets includes land; construction in progress; buildings and leasehold improvements; office furniture, fixtures and equipment; and vehicles, machinery and equipment (see table below).

	<u>2013</u>	<u>2013</u>
Land	\$ 709,889	\$ 709,889
Construction in progress	886	643,904
Buildings and leasehold Improvements	4,743,921	3,842,965
Office furniture, fixtures and equipment	121,266	139,743
Vehicles, machinery and equipment	<u>547,917</u>	<u>730,464</u>
Totals	<u>\$ 6,123,879</u>	<u>\$ 6,066,965</u>

Major capital asset events during the current fiscal year included the following:

- Addition of 3 vans for the fleet.
- Completion of Washbay and Schriever Senior Center parking lot projects.

Additional information on the Council's capital assets can be found in Note 6, Exhibit G of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Council receives most of its funding from Federal and State agencies and local taxes. Because of this, the source of income for the Council is rather steady. However, some of the Council's grants and contracts are contingent upon the level of service provided by the Council, and therefore, revenues from grants may vary from year to year. There have been no significant changes to the funding levels or terms of the grants and contracts. The Governor's Office of Elderly Affairs (GOEA) has approved the Council's budget for fiscal year 2014-2015. The Council plans to implement the following programs during the fiscal year ending June 30, 2015:

- Fences around Senior Center Parks
- Security and other improvements at the warehouse.

The Board of Directors considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- Consideration of funding to be received from GOEA.
- The Ad Valorem Tax revenue budgeted represents the estimated amount of the November 2014 assessment, which the Council will receive, for the most part, in January 2015.
- Interest revenues have been budgeted with no anticipation of an increase in interest rates.
- Salaries and benefits are based on the number of employees needed to perform necessary services and the related benefits.
- Travel rates.
- Services the Council will provide along with estimated service cost.
- Estimate of operating supplies needed to perform necessary services.
- Detail plan of equipment needed to be purchased.
- Detail plan of capital projects required to provide services.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Council's finances for all those with an interest in the Council's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Board of Directors of the Terrebonne Council on Aging, Inc., 955 West Tunnel Blvd, Houma, Louisiana 70360.

STATEMENT OF NET POSITION**Terrebonne Council on Aging, Inc.**

June 30, 2014

	Primary Government	Component Unit
Assets		
Cash	\$ 20,166,543	\$ 129,864
Investments	772,136	11,903
Contracts receivable	87,192	-
Due from Terrebonne Parish Sheriff's Office	73,888	-
Taxes receivable	66,278	-
Other receivable	7,116	-
Other current assets	19,084	20,234
Advances to component unit	480,307	-
Restricted deposits	-	138,627
Capital assets:		
Non-depreciable	710,775	1,300,000
Depreciable, net of accumulated depreciation	5,413,104	4,728,900
Total assets	<u>27,796,423</u>	<u>6,329,528</u>
Liabilities		
Accounts payable and accrued expenses	295,869	75,812
Advances from funding agencies	-	419,503
Unavailable revenue	3,226,761	-
Non-current liabilities - due in more than one year	<u>211,042</u>	<u>-</u>
Total liabilities	<u>3,733,672</u>	<u>495,315</u>
Net Position		
Net investment in capital assets	6,123,879	-
Restricted for -		
Other purposes	9,105	3,464,704
Unrestricted	<u>17,929,767</u>	<u>2,369,509</u>
Total net position	<u>\$ 24,062,751</u>	<u>\$ 5,834,213</u>

See notes to financial statements.

STATEMENT OF ACTIVITIES**Terrebonne Council on Aging, Inc.**

For the year ended June 30, 2014

Functions/Programs	Direct Expenses	Indirect Expenses	Charges for Services	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	Component Unit
				Operating Grants and Contributions	Capital Grants and Contributions		
Governmental activities:							
Health, welfare and social services:							
Supportive Services:							
Personal Care	\$ 116,545	\$ -	\$ -	\$ 7,908	\$ -	\$ (108,637)	
Other Services	44,534	35,546	-	3,534	-	(76,546)	
Homemaker	103,463	-	-	8,353	-	(95,110)	
Information and Assistance	210,308	155,588	-	69,826	-	(296,070)	
Legal Assistance	5,887	-	-	5,887	-	-	
Material Aid	125,233	75,534	-	19,906	-	(180,861)	
Outreach	8,696	8,069	-	11,776	-	(4,989)	
Transportation	807,326	442,597	17,167	363,425	235,011	(634,320)	
Wellness	92,377	66,825	637	25,127	-	(133,438)	
Recreation	138,595	103,915	-	35,865	-	(206,645)	
Nutrition Services:							
Congregate Meals	336,980	104,016	9,896	187,248	-	(243,852)	
Home Delivered Meals	1,495,799	408,613	-	289,823	-	(1,614,589)	
Elderly Housing	53,733	25,189	78,621	-	-	(301)	
Utility Assistance	60,544	-	-	22,528	-	(38,016)	
Respite	36,588	-	-	35,137	-	(1,451)	
Medication Management	25,945	11,470	8,750	19,773	-	(8,892)	
Medicare Improvement MIPP	8,939	3,729	-	5,640	-	(7,028)	
Administration	2,096,818	(1,441,091)	9,624	76,678	-	(569,425)	
Total governmental activities	\$ 5,768,310	\$ -	\$ 124,695	\$ 1,188,434	\$ 235,011	(4,220,170)	
Component Unit:							
Elderly Housing	\$ 390,038				\$ 200,593		(189,445)
General revenues:							
Property taxes						6,288,664	
Grants and contributions not restricted to specific programs						300,575	
Unrestricted investment earnings						34,711	
Miscellaneous						18,264	
Total general revenues						6,642,214	
Change in net position						2,422,044	(189,445)
Net position:							
Beginning						21,640,707	6,023,658
Ending						\$ 24,062,751	\$ 5,834,213

See notes to financial statements.

FUND BALANCE SHEET -
GOVERNMENTAL FUNDS

Terrebonne Council on Aging, Inc.

June 30, 2014

	General Fund	Title III B - Supportive Services Fund	Title III C-2 - Home Delivered Meals Fund
Assets			
Cash	\$ 20,166,543	\$ -	\$ -
Investments	772,136	-	-
Contracts receivable	-	-	-
Due from Terrebonne Parish Sheriff's Office	73,888	-	-
Taxes receivable	66,278	-	-
Other receivables	3,754	532	1,044
Due from other funds	63,416	63,799	85,432
Other current assets	19,084	-	-
Advances to component unit	480,307	-	-
Total assets	<u>\$ 21,645,406</u>	<u>\$ 64,331</u>	<u>\$ 86,476</u>
Liabilities			
Accounts payable and accrued expenditures	93,463	64,331	86,476
Due to other funds	214,933	-	-
Unavailable revenue	3,226,761	-	-
Total liabilities	<u>3,535,157</u>	<u>64,331</u>	<u>86,476</u>
Fund Balances			
Nonspendable			
Prepaid expenditures	3,500		
Advances to component unit	480,307		
Worker's compensation deposits	13,084		
Restricted	928		
Committed for disaster relief	1,928,220		
Assigned for special projects	73,491		
Unassigned	15,610,719		
Total fund balances	<u>18,110,249</u>		
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 21,645,406</u>	<u>\$ 64,331</u>	<u>\$ 86,476</u>

See notes to financial statements.

Exhibit C

<u>Rural Transportation Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ 20,166,543
-	-	772,136
76,399	10,793	87,192
-	-	73,888
-	-	66,278
603	1,183	7,116
-	65,702	278,349
-	-	19,084
-	-	480,307
<u>\$ 77,002</u>	<u>\$ 77,678</u>	<u>\$ 21,950,893</u>
18,945	\$ 32,654	\$ 295,869
58,057	5,359	278,349
-	-	3,226,761
<u>77,002</u>	<u>38,013</u>	<u>3,800,979</u>
	-	3,500
	-	480,307
	-	13,084
	20,004	20,932
	-	1,928,220
	19,661	93,152
	-	15,610,719
	<u>39,665</u>	<u>18,149,914</u>
<u>\$ 77,002</u>	<u>\$ 77,678</u>	<u>\$ 21,950,893</u>

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION

Terrebonne Council on Aging, Inc.

June 30, 2014

Fund Balances - Governmental Funds **\$ 18,149,914**

Amounts reported for governmental activities in the
Statement of Net Position are different because:

Capital assets used in governmental activities are not
financial resources and, therefore, are not reported
in the governmental funds:

Governmental capital assets	\$ 9,177,754	
Less accumulated depreciation	<u>(3,053,875)</u>	6,123,879

Non-current liabilities are not due and payable
in the current period and therefore
are not reported in the funds:

Compensated absences payable	<u>(211,042)</u>
------------------------------	------------------

Net Position of Governmental Activities **\$ 24,062,751**

See notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS**

Terrebonne Council on Aging, Inc.

For the year ended June 30, 2014

	General Fund	Title III B - Supportive Services Fund	Title III C-2 - Home Delivered Meals Fund
Revenues			
Taxes - ad valorem	\$ 6,288,664	\$ -	\$ -
Intergovernmental:			
Federal Government:			
Department of Transportation	221,412	-	-
State of Louisiana:			
State revenue sharing	185,358	-	-
Governor's Office of Elderly Affairs	45,498	294,795	238,742
Terrebonne Parish Consolidated Government	-	-	-
Charges for services	-	-	-
Interest income	34,711	-	-
Public support:			
LA Councils on Aging			
Contributions	4,630	7,840	51,082
Other	-	-	-
Miscellaneous:			
Program income	-	2,067	-
Other	103,624	-	-
Total revenues	<u>6,883,897</u>	<u>304,702</u>	<u>289,824</u>
Expenditures			
Current:			
General government:			
Ad valorem tax deductions and adjustments	268,080	-	-
Health and welfare:			
Salaries	186,946	672,871	526,527
Fringe	44,225	185,623	125,409
Travel	3,312	14,204	3,409
Operating services	290,732	261,164	478,831
Operating supplies	32,302	37,656	209,874
Other costs	84,292	168,340	-
Meals	-	-	371,148
Capital outlay	490,113	-	-
Total expenditures	<u>1,400,002</u>	<u>1,339,858</u>	<u>1,715,198</u>
Excess (deficiency) of revenues over expenditures	<u>5,483,895</u>	<u>(1,035,156)</u>	<u>(1,425,374)</u>
Other Financing Sources (Uses)			
Insurance proceeds	9,207	-	-
Operating transfers in	2,091	1,035,156	1,425,374
Operating transfers out	(3,106,323)	-	-
Total other financing sources (uses)	<u>(3,095,025)</u>	<u>1,035,156</u>	<u>1,425,374</u>
Net Change in Fund Balances	2,388,870	-	-
Fund Balances			
Beginning of year	15,721,379	-	-
End of year	<u>\$ 18,110,249</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements.

Rural Transportation Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 6,288,664
286,061	-	507,473
-	-	185,358
-	344,206	923,241
-	1,026	1,026
13,050	3,532	16,582
-	-	34,711
-	20,536	20,536
-	13,869	77,421
-	1,965	1,965
-	18,479	20,546
-	-	103,624
<u>299,111</u>	<u>403,613</u>	<u>8,181,147</u>
-	-	268,080
253,555	273,948	1,913,847
66,834	78,635	500,726
1,087	3,713	25,725
166,289	156,251	1,353,267
97,411	45,446	422,689
-	114,292	366,924
-	95,820	466,968
-	3,638	493,751
<u>585,176</u>	<u>771,743</u>	<u>5,811,977</u>
<u>(286,065)</u>	<u>(368,130)</u>	<u>2,369,170</u>
-	-	9,207
286,065	359,728	3,108,414
-	(2,091)	(3,108,414)
<u>286,065</u>	<u>357,637</u>	<u>9,207</u>
-	(10,493)	2,378,377
-	50,158	15,771,537
<u>\$ -</u>	<u>\$ 39,665</u>	<u>\$ 18,149,914</u>

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

Terrebonne Council on Aging, Inc.

For the year ended June 30, 2014

Net Change in Fund Balances - Total Governmental Funds	\$	2,378,377
---	-----------	------------------

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlay	\$	493,751	
Depreciation expense		<u>(436,837)</u>	56,914

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Increase in compensated absences

Change in Net Position of Governmental Activities	\$	<u>2,422,044</u>
--	-----------	-------------------------

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Terrebonne Council on Aging, Inc.**

June 30, 2014

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of Terrebonne Council on Aging, Inc. (the Council) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of certain significant accounting policies:

a) Purpose of the Council on Aging

The purpose of the Council is to collect facts and statistics and make special studies of conditions pertaining to the employment, financial status, recreation, social adjustment, mental and physical health or other conditions affecting the welfare of the aging people in Terrebonne Parish (Terrebonne); to keep abreast of the latest developments in these fields of activity throughout Louisiana and the United States; to interpret its findings to the citizens of Terrebonne; to provide for a mutual exchange of ideas and information on the parish and state level; to conduct public meetings to make recommendations for needed improvements and additional resources; to promote the welfare of aging people when requested to do so; to coordinate and monitor services of other local agencies serving the aging people of Terrebonne; and to assist and cooperate with the Governor's Office of Elderly Affairs (GOEA) other departments of state and local government serving the elderly; and to make recommendations relevant to the planning and delivery of services to the elderly of Terrebonne.

Specific services provided by the Council to the elderly residents of Terrebonne Parish include providing congregate and home delivered meals, nutritional education, personal care, information and assistance, outreach, material aid, home repairs, utility assistance, homemakers, recreation, legal assistance, disease prevention, health promotion and transportation.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Reporting Entity

In 1964, the State of Louisiana passed Act 456 authorizing the charter of a voluntary council on aging for the welfare of the aging people in each parish of Louisiana. In 1979, the Louisiana Legislature created the Governor's Office of Elderly Affairs (GOEA) (LA R.S.46:931) with the specific intention that GOEA administer and coordinate social services and programs for the elderly population of Louisiana through sixty-four parish voluntary councils on aging. However, before the council on aging can begin operations in a specific parish, its application for a charter must receive approval from GOEA pursuant to LA R.S. 46:1602. The functions of each council on aging in Louisiana must comply with the objectives of state laws and are governed by policies and regulations established by GOEA. The Council was created on April 28, 1965, under Act No. 456 of 1964. On September 10, 1975, the Council was incorporated under the provisions of Title 12, Chapter 2 of the Louisiana Revised Statutes of 1950 to operate as a quasi-public, non-profit organization.

A board of directors, consisting of 11 voluntary members, who serve three year terms, governs the Council. Board members are elected by the general membership of the Council during its annual meeting. There can be no appointed Board member at any given time.

GASB No. 14, *The Financial Reporting Entity*, GASB No. 39, *Determining Whether Certain Organizations Are Component Units-an amendment of GASB Statement No. 14*, and GASB No. 61, *The Financial Reporting Entity: Omnibus and amendment of GASB Statements No. 14 and No. 34* established the criterion for determining which component units should be considered part of the District for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the governing authority appoints a majority of the board members of the potential component unit.
3. Fiscal interdependency between the Council and the potential component unit.
4. Imposition of will by the Council on the potential component unit.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Reporting Entity (continued)

5. Financial benefit/burden relationship between the Council and the potential component unit.

The basic financial statements include TCOA Elderly Housing, Inc. which is considered to be a component unit of the Council based upon the above criteria.

It has also been determined based upon the above criteria that the Council is a component unit of the Terrebonne Parish Consolidated Government (the Parish) and will be included in its comprehensive financial report for the year ending December 31, 2014.

c) Basis of Presentation

The Council's basic financial statements consist of the government-wide statements on all activities of the Council and its component unit and the governmental fund financial statements (individual major funds and combined non-major funds).

Government-wide Financial Statements:

The Council's basic financial statements consist of "government-wide" financial statements on all activities of the Council, which are designed to report the Council as a whole entity, and "fund" financial statements, which report individual major governmental funds and combined nonmajor governmental funds.

Both the government-wide and fund financial statements categorize primary activities as either "governmental" or "business" type. The Council's functions and programs have all been categorized as "governmental" activities. The Council does not have any business-type activities, fiduciary funds, or any component units that are fiduciary in nature. Accordingly, the government-wide financial statements do not include any of these activities or funds.

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all activities of the Council. As a general rule, the effect of interfund activity has been removed from these statements. The government-wide presentation focuses primarily on the sustainability of the Council as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities generally are supported by taxes and intergovernmental revenues.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Basis of Presentation (continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Council allocates its indirect costs among various functions and programs in accordance with Circular A-87. The Statement of Activities shows this allocation in a separate column labeled "indirect expenses." In addition, GOEA provides grant funds, included in operating grants and contributions, to help the Council pay for a portion of its indirect costs. As a result, total governmental activities reported by function or program contain the indirect costs in excess of the GOEA funds. Other program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

Fund Financial Statements:

The fund financial statements are very similar to the traditional governmental fund statements as presented by governments prior to the issuance of GASB Statement No. 34. Emphasis is now on the major funds in governmental categories. Non-major funds by category or fund type are summarized into a single column.

The daily accounts and operations of the Council continue to be organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures.

Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds of the Council are grouped into generic fund types and fund categories as follows:

Governmental activities presented as governmental funds in the fund financial statements:

General Fund - The General Fund is the general operating fund of the Council. It is used to account for and report all financial resources except those that are required to be accounted for and reported in another fund. The General Fund is always a major fund.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Basis of Presentation (continued)

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources (other than major capital projects) that are legally restricted or committed to expenditures for specified purposes. Title III B – Supportive Services Fund, Title III C-2 – Home Delivered Meals Fund and Rural Transportation Fund are special revenue funds reported as major funds.

Capital Projects Fund - A Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlay including the acquisition or construction of major capital facilities. The Capital Projects Fund is reported as a nonmajor fund.

The following programs comprise the Council's General Fund:

Ad Valorem Tax Monies - Monies are derived from a 7.50 mill parish wide ad valorem tax received through Terrebonne Parish Consolidated Government.

Act 735 Monies - Monies are received from GOEA as stated in the Legislative Act 735. The Council may use these funds at its discretion in any program provided the program is benefiting people who are at least 60 years old. The money received in this fund during the year was transferred to the Title III B-Supportive Services Fund to provide additional funds to pay for its program expenditures.

The following funds are the funds which comprise the Council's special revenue funds:

Title III B - Supportive Services Fund - Monies are received from GOEA which are used to provide various units of supportive social services to the elderly. Specific supportive services provided during the fiscal year are information and assistance, personal care, outreach, homemakers, recreation, transportation, legal, material aid, visiting, telephone and wellness. GOEA has established the criteria for defining a qualifying unit of service for each Title III program.

Title III C - Area Agency Administration Fund - Monies are received from GOEA and are used to account for a portion of the indirect costs of administering the Council's programs and helps pay for the costs of administering the Council's special programs for the elderly. The amount of money is not enough to pay for all the indirect costs. As a result, the Council will allocate its indirect costs to this fund first. Once the GOEA funds are completely used, any indirect costs, in excess of the funds provided by GOEA, are distributed to other funds and programs using a formula based on the percentage each program's direct costs bear to direct costs for all programs.

Note 1-PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Basis of Presentation (continued)

Title III C-1 - Congregate Meals Fund - Monies are received from GOEA and are used to provide a nutritional, congregate meals to the elderly at meal sites located throughout Terrebonne Parish.

Title III C-2 - Home Delivered Meals Fund - Monies are received from GOEA and are used to provide nutritional meals to homebound older persons.

Title III D – Preventive Health Fund – Monies in this fund are received from GOEA and are used for disease prevention and health promotion activities.

Title III E - National Family Caregiver Program Fund – Monies in this fund are received from GOEA and are used to provide relief to family members who are the primary caregiver to an ill and/or bedridden senior individual.

Helping Hands Fund - Donated monies are received from the utility customers of the Terrebonne Parish Consolidated Government, South Louisiana Electric Cooperation Association and Trans LA Gas Company. Donations also flow through the Louisiana Association of Councils on Aging. These monies provide home energy assistance subsidy to low-income elderly and handicap persons.

Audit Fund - Monies are received from GOEA that are restricted to use as a supplement to pay for the cost of having an annual audit of the Council's financial statements. The cost allocated to this fund is equal to GOEA supplement. Excess audit costs have been distributed to other funds and programs using the Council's indirect cost allocation formula.

Transportation Program Fund - Monies are received from transportation services provided for nursing home clientele and clientele of The Work Connection, Inc. Monies are received based on per trip billing.

Senior RX Fund - Monies in this fund are received from GOEA and are used to link eligible seniors with assistance for obtaining their prescription medications. This program does not give seniors their prescription medications, but will assist in the completion of applications to drug companies for free medicines or drug discount cards.

Special Fund - Monies are generated through special projects and donations. This fund is used for social, charitable, and athletic events scheduled for the elderly throughout the year.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Basis of Presentation (continued)

Non-Emergency Medical Transportation Fund - Monies are received from the Department of Health and Hospitals for Medicaid of Louisiana programs for non-emergency medical transportation. Monies are received based on per trip billing.

Rural Transportation Fund – This program is to expand transportation service by providing Demand Response Public Transportation to rural communities. All eligible rural residents may access this system for a fare of \$1.00 for a one way trip. Residents are not limited to just doctors and government facilities as our other transportation programs. They may ride for work purposes, shopping, and visiting as well as doctors and government facilities. They can also access the Terrebonne Parish Transit System for additional transportation needs.

Medicare Improvement for Patients and Providers Act – The Council receives funds from the GOEA to provide outreach to eligible Medicare beneficiaries regarding the benefits available under Title XVIII of the Social Security Act, including the Medicare prescription drug benefit under Part D of Title XVII of the Social Security Act and under the Medicare Savings Program, and to coordinate efforts to inform older Americans about benefits available under Federal and state programs.

Schriever Senior Center Fund – Monies are generated through special projects and donations. The purpose of this fund is to provide various supplies and costs associated with providing a community service center at which the elderly people of Schriever can receive supportive social services and participate in activities which foster their independence, enhance their dignity and encourage their involvement in and with the community of Schriever.

d) Component Unit Disclosure

The component unit column and rows in the government-wide Statement of Net Position and Statement of Activities include the financial data of the Council's component unit for their fiscal year end of December 31, 2013. It is reported in a separate column to emphasize that it is legally separate from the Council. TCOA Elderly Housing, Inc. (the Corporation) is a subsidiary of the Council. Board members for the Corporation are elected by the general membership of the Corporation. The Corporation's purpose is the construction and management of housing facilities to serve the elderly and elderly handicapped. As of June 30, 2014,

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Component Unit Disclosure (continued)

the Council has advanced \$480,307 to the Corporation for which it anticipates reimbursement from future funds.

e) Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Government-wide Financial Statements:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied.

Fund Financial Statements:

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current position. Governmental funds are maintained on the modified accrual basis of accounting. Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government’s availability criteria (susceptible to accrual). Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. The Council’s definition of available means expected to be received within sixty days of the end of the fiscal year.

Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except for the following: (1) principal and interest on long-term debt are recorded when due, and (2) accumulated unpaid vacation and sick pay which is recorded as expenditures in the governmental fund type when paid with expendable available financial resources. Allocations of cost such as depreciation are not recognized in the governmental funds.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

g) Accounts Receivable

The financial statements for the Council contain no allowance for bad debts. Uncollectible receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds of the Council.

h) Cash and Investments

Cash includes amounts in demand deposits, interest bearing demand deposits and petty cash.

Investments are reported at fair value as established by open market except for the Louisiana Asset Management Pool (LAMP) investment, which is a local government 2a7 – like pool administered by a non-profit corporation organized under State of Louisiana law, which is permitted to be carried at amortized cost.

All investments are traded in a national or international exchange and are valued at the last reported sales price at current exchange rates. There are no investments without an established market. Unrealized gains and losses on investments recorded at fair value are included in investment income.

i) Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$1,000 or more are valued at historical cost or estimated historical cost if actual cost is unavailable,

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Capital Assets (continued)

except for donated capital assets which are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and leasehold improvements	10 - 40 years
Office furniture, fixtures and equipment	5 - 12 years
Vehicles, machinery and equipment	5 - 20 years

Fund Financial Statements:

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

j) Non-Current Liabilities

The accounting treatment of non-current liabilities depends on whether they are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

All non-current liabilities to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term obligations consist of accumulated unpaid vacation.

Fund Financial Statements:

Non-current liabilities for governmental funds are not reported as liabilities in the fund financial statements.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Accumulated Vacation, Compensatory Time and Sick Leave

The Council's policies regarding vacation and sick leave permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as a long-term obligation in the government-wide statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources.

Employees of the Council shall be entitled to vacation with pay and shall accrue vacation time in the following manner:

First year through third year	One week
Fourth year through sixth year	Two weeks
Seventh year through ninth year	Three weeks
Ten years or more	Four weeks

Employees may not accumulate and carry forward vacation time beyond the year earned unless approval is given by the Executive Director. Also, the Executive Director's carryover must be approved by the Board Chairman. Accumulated vacation leave is due to the employee at the time of termination of employment. Although sick leave accumulates and is available for employees when needed, it does not vest nor is it payable at termination of employment.

l) Income Taxes

Tax exempt status has been granted under Internal Revenue Code Section 501(c)(3).

m) Interfund Transactions

In the fund financial statements, interfund activity is reported as either loans or transfers. Loans between funds are reported as interfund receivables (due from) and payables (due to) as appropriate. Transfers represent a permanent reallocation of resources between funds. In other words, they are not expected to be paid. For reporting purposes, all interfund transactions between individual governmental funds have been eliminated in the government-wide financial statements.

n) Related Party Transactions

There were no related party transactions during the fiscal year.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Unavailable Revenue

The Council reports unavailable revenue when resources associated with imposed non exchange revenue transactions are received or reported as a receivable before (a) the period for which property taxes are levied or (b) the period when resources are required to be used or when use is first permitted for all other imposed non exchange revenues in which the enabling legislation includes time requirements.

p) Allocation of Indirect Expenses

The Council reports all direct expenses by function and programs of functions in the Statement of Activities. Direct expenses are those that are clearly identifiable with functions or programs. Indirect expenses are recorded as direct expenses of the Administration function. The Administration function is allocated using a formula that is based primarily on the relationship the direct cost of all programs. GOEA provides funds to partially subsidize the Council's Administration function within certain programs. There are some programs that cannot absorb any indirect cost allocation according to their grant or contract limitations.

q) Fund Equity

Government-wide Statements:

Equity is classified as net assets and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. At June 30, 2014 the Council did not report any borrowings.
- b. Restricted net position – Consists of assets and deferred outflows of resources less liabilities and deferred inflow of resources (net position) with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) Fund Equity (continued)

When both restricted and unrestricted resources are available for use, it is the Council's policy to use restricted resources first, then unrestricted resources as they are needed except for nutrition services. When providing nutrition services, revenues earned by the Council under its NSIP contract with GOEA can only be used to pay for the raw food component of each meal that is bought and served to a person eligible to receive a meal under one of the nutrition programs. The Council's management has discretion as to how and when to use NSIP revenues when paying for nutrition program costs.

Component unit restricted net position

The component unit received a \$4,082,400 capital advance from HUD for the construction of a multifamily residual housing facility. The construction of the facility along with the cost of land improvements was capitalized as a fixed asset and therefore the temporary restriction is lifted as the building and land improvements depreciate over its useful life. As of December 31, 2013, \$617,696 of total cost has been depreciated and therefore is included in unrestricted net assets.

Fund Financial Statements:

Governmental fund equity is classified as fund balance. Beginning July 1, 2010, the Council implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purpose for which resources can be used:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid expenditures as being nonspendable as this item is not expected to be converted to cash.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of resources are either:
 - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
 - Imposed by law through constitutional provisions or enabling legislation.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) Fund Equity (continued)

As of June 30, 2014, the Council has classified \$3,087 as restricted because of spending constraints placed upon this money by GOEA. Management has also classified \$17,845 as restricted fund balance due to the constraints placed on the use of the money by donors.

- **Committed:** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Council's board of directors, which is the Council's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the board of directors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Council has committed \$1,928,220 of funds for disaster assistance as of June 30, 2014.
- **Assigned:** This classification includes spendable amounts that are reported in governmental funds other than the General Fund, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for a specific purpose in accordance with the provisions of GASB Statement 54. The intent of an assigned fund balance should be expressed by either the Council's board of directors, or a subordinate high-level body, such as a finance committee, or an official, such as the executive director, that has the authority to assign amounts to be used for specific purposes. The Council's management assigned funds for the purposes of utility assistance, fundraising, gift program and various special purposes, at June 30, 2014 in the amounts of \$4,474, \$31,114, \$34,291 and \$23,273, respectively.
- **Unassigned:** This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

When fund balance resources are available for a specific purpose in multiple classifications, the Council would use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, it reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

r) New GASB Statements

Statement No. 66, "*Technical Corrections – 2012.*" The statement enhances the usefulness of financial reports by resolving conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting. This statement did not affect the Council's financial statements.

Statement No. 67, "*Financial Reporting for Pension Plans.*" The statement improves the usefulness of pension information included in the general purpose external financial reports of state and local governmental pension plans for making decisions and assessing accountability. This statement did not affect the Council's financial statements.

Statement No. 68, "*Accounting and Financial Reporting for Pensions.*" This Statement will improve the decision usefulness of information in employer financial reports. In the Council's governmental fund financial statements, a pension liability should be recognized to the extent the liability for unpaid employer plan contributions is liquidated with expendable available financial resources. This statement is effective for fiscal years beginning after June 15, 2014 and is not anticipated to affect the Council's financial statements.

Statement No. 69, "*Government Combinations and Disposals of Governmental Operations.*" This Statement requires disclosures to be made about government combinations and disposals of government operations. This statement is effective for fiscal years beginning after December 15, 2013 and did not affect the Council's financial statements.

Statement No. 70, "*Accounting and Financial Reporting for Nonexchange Financial Guarantees.*" The objective of this Statement is to improve the recognition, measurement, and disclosure guidance for state and local governments that have extended or received financial guarantees that are nonexchange transactions. This statement did not affect the Council's financial statements.

Statement No. 71, "*Pension Transition for Contributions made Subsequent to the Measurement Date.*" The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68. The statement will be applied simultaneously with Statement No. 68. Management has not yet determined the effect of this statement on the financial statements.

Note 2 - PROPERTY TAXES

The Council records receipts from the Parish for the 7.50 millage ad valorem tax as ad valorem tax revenue in the General Fund. The Parish acts as the taxing authority and collection agent for these taxes. The Parish accounts for the collection of the tax on its books in an agency fund. The Parish withholds certain amounts as reimbursement of expenses that are attributable to the Council. The net revenues are forwarded to the Council for its use on an as needed basis. As described in Note 3, funds not forwarded by the Parish to the Council are invested by the Parish on behalf of the Council.

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise, and movable property located in the Parish. Assessed values are established by the Terrebonne Parish Assessor's office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A revaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2013. Taxes are due and payable December 31 with interest being charged on payments after January 1.

The tax rate for the year ended December 31, 2013 was \$7.50 per \$1,000 of assessed valuation on property for the purpose of operating and maintaining programs for the elderly and disabled persons of Terrebonne Parish. Ad valorem taxes and the related state revenue sharing (Intergovernmental revenues) are recorded as revenue in the period for which levied, thus the 2013 property taxes which are levied to finance expenditures for the 2014 calendar year will be recognized as revenue in the fiscal years ending June 30, 2014 and 2015. Accordingly, approximately one half of the 2013 tax levy is recorded as unavailable revenue at June 30, 2014.

Note 3 - DEPOSITS AND INVESTMENTS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or other federally insured investments, certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, guaranteed investments contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

The Council has an arrangement with the Parish whereby the Parish retains and invests on the Council's behalf ad valorem taxes in excess of the Council's operating needs. At June 30, 2014 the Parish had invested \$2,830,281 for the Council. This amount is included in cash and investments on Exhibits A and C.

Note 3 - DEPOSITS AND INVESTMENTS (Continued)

Bank Deposits:

The Council is a quasi-governmental entity which is not required to comply with Louisiana laws relating to collateralization of cash and investments. As a matter of policy, the Council however, obtains collateralization for cash at financial institutions which is in excess of the FDIC insurance. Acceptable collateralization includes FDIC insurance, securities purchased and pledged to the political subdivision and letters of credit with the Federal Home Loan Bank pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or with a trust company for the account of the political subdivision.

The year end balances of deposits are as follows:

	Bank Balances	Reported Amount
Cash	\$ 20,172,328	\$ 20,163,566
Certificates of deposit	717,089	717,089
Totals	<u>\$ 20,889,417</u>	<u>\$ 20,880,655</u>

Custodial credit risk is the risk that in the event of a bank failure, the Council's deposits may not be returned to it. The Council has a written policy for custodial credit risk. As of June 30, 2014, \$19,876,873 of the Council's bank balance of \$20,889,417 was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, and are deemed to be held in the Council's name by state statutes.

At June 30, 2014, cash and certificates of deposits were adequately collateralized in accordance with the Council's policy, similar to state law. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the deposits are considered subject to custodial credit risk under the provisions of GASB Statement No. 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to draw down upon the pledged securities Letters of Credit or sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

Note 3 - DEPOSITS AND INVESTMENTS (Continued)

Investments:

State statutes authorize the Council to invest in obligations of the U.S. Treasury, agencies and instrumentalities; guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations; repurchase agreements; and the Louisiana Asset Management Pool (LAMP).

At June 30, 2014, the Council had the following investments and maturities:

Investment Type	Fair Value	Maturity
Louisiana Asset Management Program (LAMP)	<u>\$ 55,178</u>	Demand

As a means of limiting its exposure to fair value losses arising from interest rates, the Council's investment policy emphasizes maintaining liquidity to match specific cash flows.

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Council's investment policy requires the application of the prudent-person rule. The policy states, *investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. Primary emphasis shall be placed upon the safety of principal secondly to maintain liquidity to meet operating requirements and finally to obtain the most favorable rate of return.* The Council's investment policy limits investments to those discussed earlier in this note. LAMP is rated AAA by Standard & Poor's.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Council will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed or backed by the U.S. Treasury, the U.S. Government or one of its agencies, enterprises or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than

Note 3 - DEPOSITS AND INVESTMENTS (Continued)

90 days, and consists of no securities with a maturity in excess of 397 days. The fair value is determined on a weekly basis by LAMP to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued at amortized cost. The fair value of participant's position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. Investments in LAMP at June 30, 2014 amounted to \$55,178 and are classified on the Statement of Net Position as "Investments".

A reconciliation of deposits and investments as shown on the Statement of Net Position is as follows:

Cash on hand	\$ 2,977
Reported amount of deposits	20,163,566
Reported amount of investments	<u>772,136</u>
 Total	 <u>\$20,938,679</u>
 Classified as:	
Cash	\$ 20,166,543
Investments	<u>772,136</u>
 Total	 <u>\$ 20,938,679</u>

Component Unit Cash and Investments

At December 31, 2013 the balance of deposits and the certificate of deposit, reported as an investment, in the bank was fully insured by the FDIC's Transaction Account Guaranty Program.

Note 4 - CONTRACTS RECEIVABLE

Contracts receivable at June 30, 2014 consisted of reimbursements for expenditures incurred under the following programs:

State of Louisiana -	
Department of Health and Hospitals -	
Non-Emergency Medical Transportation Program	\$ 409
Medicare Improvement for Patients and Providers Act	4,600
Governor's Office of Elderly Affairs	
Title III C-1 Congregate Meals	2,304
Terrebonne Parish Consolidated Government –	
Rural Transportation Program	76,399
Nursing Homes – Transportation Programs	<u>3,480</u>
Total	<u>\$ 87,192</u>

Note 5 - ADVANCE TO COMPONENT UNIT

The Council advanced TCOA Elderly Housing, Inc. start up funds for design, construction of the housing project operated by the component unit. The advance does not bear interest, is unsecured and is not anticipated to be collected during the next fiscal year. As of June 30, 2014, the balance of advanced funds were \$480,307. During the year ended June 30, 2014, no repayments to TCOA were made.

Note 6 - RESTRICTED DEPOSITS

The component unit is required to set aside amounts for the replacement of property and other project expenditures approved by HUD. HUD-restricted deposits are held in separate accounts and generally are not available for operating purposes. As of December 31, 2013 the component unit had \$138,627 deposited in the separate accounts.

Note 7 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 was as follows:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Capital assets not being depreciated:				
Land	\$ 709,889			\$ 709,889
Construction in progress	643,904	\$ 379,306	\$ (1,022,324)	886
Total capital assets not being depreciated	1,353,793	379,306	(1,022,324)	710,775
Capital assets being depreciated:				
Buildings and leasehold improvements	4,870,572	1,046,247	-	5,916,819
Office furniture, fixtures and equipment	516,825	24,304	-	541,129
Vehicles, machinery and equipment	1,942,813	66,218	-	2,009,031
Total capital assets being depreciated	7,330,210	1,136,769	-	8,466,979
Less accumulated depreciation for:				
Building and leasehold improvements	(1,027,607)	(145,291)	-	(1,172,898)
Office furniture, fixtures and equipment	(377,082)	(42,781)	-	(419,863)
Vehicles, machinery and equipment	(1,212,349)	(248,765)	-	(1,461,114)
Total accumulated depreciation	(2,617,038)	(436,837)	-	(3,053,875)
Total capital assets being depreciated, net	4,713,172	699,932	-	5,413,104
Total capital assets, net	\$ 6,066,965	\$ 1,079,238	\$ (1,022,324)	\$ 6,123,879

The Council's major capital asset acquisitions include completions of the washbay project and parking lot at Schriever Senior Center, 3 vans and various computers, camera and surveillance systems.

Depreciation was charged to governmental activities as follows:

Administration	\$ 125,448
Nutrition Services:	
Congregate Meals	36,174
Home Delivered Meals	174,320
Supportive Services:	
Transportation	56,696
Recreation	18,710
Wellness	14,391
Information and Assistance	4,321
Other	6,777
Total	<u>\$ 436,837</u>

Note 7 - CHANGES IN CAPITAL ASSETS (Continued)

Component Unit Capital Assets

The component unit's capital asset activity for the year ended December 31, 2013 was as follows:

	Beginning Balance	Additions	Ending Balance
Land	\$ 1,300,000	\$ -	\$ 1,300,000
Land improvements	934,587	-	934,587
Building	4,294,952	-	4,294,952
Furniture and equipment	22,957	-	22,957
Total	6,552,496	-	6,552,496
Accumulated depreciation	(379,337)	(144,259)	(523,596)
Net book value	<u>\$ 6,173,159</u>	<u>\$ (144,259)</u>	<u>\$ 6,028,900</u>

Note 8 - ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES

Accounts payable and accrued expenditures at June 30, 2014 consisted of the following:

	Vendors	Salaries And Benefits	Total Payables
Governmental activities:			
General Fund	\$ 69,837	\$ 23,626	\$ 93,463
Title III B - Supportive Services Fund	22,935	41,396	64,331
Title III C-2 - Home Delivered Meals Fund	48,130	38,346	86,476
Rural Transportation Fund	4,581	14,364	18,945
Non-major Funds	<u>15,486</u>	<u>17,168</u>	<u>32,654</u>
Total accounts payable and accrued expenditures	<u>\$ 160,969</u>	<u>\$ 134,900</u>	<u>\$ 295,869</u>

Component Unit's Accounts Payable

The component unit's accounts payable consists of money owed to the Council and tenants' deposits as of December 31, 2013.

Note 9 - DUE TO/FROM OTHER FUNDS

Due to/from other funds are listed by fund for the year ended June 30, 2013:

	<u>Receivable</u>	<u>Payable</u>
General Fund:		
Title III B-Supportive Fund	\$ -	\$ 63,799
Title III C-Home Delivered Meals Fund	-	85,432
Rural Transportation Fund	58,057	-
Non-major Funds	5,359	65,702
Totals	<u>63,416</u>	<u>214,933</u>
 Title III B-Supportive Services Fund:		
General Fund	63,799	-
 Title III C-2-Home Delivered Meals Fund:		
General Fund	85,432	-
 Rural Transportation Fund:		
General Fund	-	58,057
 Non-major Funds:		
General Fund	<u>65,702</u>	<u>5,359</u>
 Grand Totals	<u>\$ 278,349</u>	<u>\$ 278,349</u>

The balances above resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

Note 10 - NON-CURRENT LIABILITIES

Non-current liabilities consist of accumulated unpaid vacation. The following is a summary of the changes in long-term obligations of the Council for the year ended June 30, 2014:

Non-current liabilities, July 1, 2013	\$ 197,795
Net increase in unpaid vacation	<u>13,247</u>
 Non-current liabilities, June 30, 2014	 <u>\$ 211,042</u>

Note 11 - INTERFUND TRANSFERS

Operating transfers in and out are listed by fund for the year ended June 30, 2014:

	Operating Transfers	
	In	Out
General Fund:		
Title III B-Supportive Fund		\$ 1,035,156
Title III C-Home Delivered Meals Fund		1,425,374
Rural Transportation Fund		286,065
Non-major Funds	\$ 2,091	359,728
Totals	2,091	3,106,323
Title III B-Supportive Fund:		
General Fund	1,035,156	-
Title III C-Home Delivered Meals Fund:		
General Fund	1,425,374	-
Rural Transportation Fund:		
General Fund	286,065	-
Non-major Funds:		
General Fund	359,728	2,091
Grand Totals	<u>\$ 3,108,414</u>	<u>\$ 3,108,414</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the General Fund and certain Special Revenue Funds to finance various programs and projects accounted for in other funds in accordance with budgetary authorizations.

Note 12 - RISK MANAGEMENT

The Council is exposed to various risks of loss related to workers' compensation; torts; thefts of, damage to and destruction of assets; errors and omissions; natural disasters; and group health benefits for which the Council carries commercial insurance and also participates in The Parish's risk management program for group health insurance. No settlements were made during the year that exceeded the Council's insurance coverage. The Council's premiums for group health insurance are based on a fixed rate per employee. The Parish handles all claims filed against the Council for which it has insurance coverage under The Parish.

Note 12 - RISK MANAGEMENT (Continued)

The Parish is self-insured for the first \$150,000 of each claim relating to group health insurance. The aggregate deductible for all group claims related to group health insurance for the year ended December 31, 2013 was \$20,899,563. The Parish is covered under an insurance contract for the excess liability on individual claims. There is no lifetime maximum claims limit for covered employees. Coverage for group health claims in excess of the above limits are to be funded first by assets of the Parish's group health internal service fund, \$5,600,466 at December 31, 2013, then by the entities participating in the group health plan and finally by the employee for individual claims in excess of \$1,000,000. At June 30, 2014 the Council had no claims in excess of the coverage limits. Total premiums paid to The Parish for group insurance for the year ended June 30, 2014 amounted to \$359,582.

Note 13 - RETIREMENT PLAN

The Council established a Thrift Plan for Employees, under Internal Revenue Code Section 403 (b), for its eligible employees as of January 1, 2002. Under this plan participating employees are permitted to make elective deferrals in amounts that are within the limits of Code Sections 403(b) and 402(g) of their compensation and the Council will match 20% of the amount contributed not to exceed 7%, of the employee's compensation after 2 years of service. An additional 20% of the amount contributed will be added per year thereafter until the match reaches 100% after 6 years. The Council's cost of the plan for the years ended June 30, 2014, 2013 and 2012 is \$74,951, \$62,660 and \$57,892.

Note 14 - IRC SECTION 125 CAFETERIA PLAN

The Council provides an Internal Revenue Code Section 125 "Cafeteria" plan for all its full-time employees. Under this plan an eligible employee can elect to have a portion of their compensation reduced to pay for insurance that the employee would normally have to pay with "after tax" compensation. Participation in this plan is at the option of each full-time employee.

Note 15 - IN-KIND CONTRIBUTIONS

The Terrebonne Council on Aging, Inc. received various in-kind contributions during the year. The following facilities, goods and services were furnished at no cost to the Council:

- Congregate meal sites
- Volunteer services
- Volunteers' vehicle and travel
- Building usage for the old main office, Bayou Towers, Neal Ransonet, Shady Oak, and Bonne Terre Village Senior Centers
- Operating supplies and services
- Material aide

While these contributions have not been reported, the offsetting expenditures have also not been reported in the governmental fund financial statements.

Note 16 - JUDGMENTS, CLAIMS, AND SIMILAR CONTINGENCIES

The Council is a defendant in several lawsuits. While it is not feasible to predict or determine the outcome of these matters, it is the opinion of Management that the ultimate outcome will not have a material adverse effect on the financial position of the Council. Accordingly, no obligation for claims has been recognized by the Council in the financial statements.

Note 17 - INCOME TAX STATUS

The Council, a non-profit corporation, is exempt from federal income taxation under Section 501 (c) (3) of the Internal Revenue Code, and is not a private foundation as defined in Section 509 (a) of the Code. It is also exempt from Louisiana income tax.

Note 18 - RELATED PARTY TRANSACTIONS

There were no significant related party transactions during the year.

Note 19 - BOARD OF DIRECTORS

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

Note 20 - CONTINGENCIES

The Council participates in a number of federally assisted programs, which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Council has not complied with the rules and regulations governing the grants, refunds of any money received and the collectibility of any related receivable at year-end may be impaired. In Management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and the Council.

Component Unit's Contingencies

On July 17, 2008, the component unit signed an agreement with Terrebonne Parish Consolidated Government to receive a deferred loan in the amount of \$300,000. These funds were used to provide a driveway, parking lot, and infrastructure for utilities, sewer, water, and drainage that will supplement the new construction of a fifty unit elderly housing complex. According to the agreement, the component unit will make no payment of principal or interest as long as it agrees to occupy the property as an elderly housing facility for a term of twenty years and remain in compliance with its agreement with Terrebonne Parish Consolidated Government.

Management intends to remain in the elderly housing facility for duration of twenty years and also remain in compliance with its agreement with Terrebonne Parish Consolidated Government. Therefore, no liability has been recorded in the accompanying financial statements for such contingencies.

Note 21 - SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through December 4, 2014, which is the date the financial statements were available to be issued.

GASB REQUIRED SUPPLEMENTARY INFORMATION SECTION

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Terrebonne Council on Aging, Inc.

For the year ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes - ad valorem	\$ 5,338,229	\$ 5,285,651	\$ 6,288,664	\$ 1,003,013
Intergovernmental	288,700	85,000	452,268	367,268
Interest income	53,500	24,000	34,711	10,711
Public support	8,200	8,910	4,630	(4,280)
Miscellaneous	20,580	29,004	103,624	74,620
Total revenues	5,709,209	5,432,565	6,883,897	1,451,332
Expenditures				
Current:				
General government:				
Ad valorem tax deductions and adjustments	445,447	-	268,080	(268,080)
Health and welfare:				
Salaries	209,543	202,840	186,946	15,894
Fringe	59,618	55,594	44,225	11,369
Travel	1,966	2,037	3,312	(1,275)
Operating services	175,310	226,030	290,732	(64,702)
Operating supplies	137,538	149,444	32,302	117,142
Other costs	128,943	128,043	84,292	43,751
Capital outlay	639,102	569,364	490,113	79,251
Total expenditures	1,797,467	1,333,352	1,400,002	(66,650)
Excess of revenues over expenditures	3,911,742	4,099,213	5,483,895	1,384,682
Other Financing Sources (Uses)				
Insurance proceeds	-	-	9,207	9,207
Operating transfers in	-	7,392	2,091	(5,301)
Operating transfers out	(4,473,669)	(4,310,005)	(3,106,323)	1,203,682
Total other financing sources (uses)	(4,473,669)	(4,302,613)	(3,095,025)	1,207,588
Net Change in Fund Balance	(561,927)	(203,400)	2,388,870	\$ 2,592,270
Fund Balance				
Beginning of year,	9,486,972	15,721,379	15,721,379	
End of year	\$ 8,925,045	\$ 15,517,979	\$ 18,110,249	

See note to required supplementary information.

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
TITLE III B - SUPPORTIVE SERVICES FUND

Terrebonne Council on Aging, Inc.

For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 180,151	\$ 180,151	\$ 294,795	\$ 114,644
Public support	10,000	7,100	7,840	740
Miscellaneous	1,020	1,400	2,067	667
Total revenues	191,171	188,651	304,702	116,051
Expenditures				
Current:				
Health and welfare:				
Salaries	801,088	786,476	672,871	113,605
Fringe	228,027	215,478	185,623	29,855
Travel	13,770	12,947	14,204	(1,257)
Operating services	377,811	335,617	261,164	74,453
Operating supplies	94,228	86,881	37,656	49,225
Other costs	199,637	199,637	168,340	31,297
Total expenditures	1,714,561	1,637,036	1,339,858	297,178
Deficiency of revenues over expenditures	(1,523,390)	(1,448,385)	(1,035,156)	413,229
Other Financing Sources				
Operating transfers in	1,523,390	1,448,385	1,035,156	(413,229)
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance				
Beginning of year			-	
End of year			<u>\$ -</u>	

See note to required supplementary information.

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
TITLE III C-2 - HOME DELIVERED MEALS FUND

Terrebonne Council on Aging, Inc.

For the year ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 142,584	\$ 142,584	\$ 238,742	\$ 96,158
Public support	51,680	47,874	51,082	3,208
Total revenues	194,264	190,458	289,824	99,366
Expenditures				
Current:				
Health and welfare:				
Salaries	718,952	602,023	526,527	75,496
Fringe	204,514	164,988	125,409	39,579
Travel	5,614	4,946	3,409	1,537
Operating services	497,984	395,451	478,831	(83,380)
Operating supplies	315,876	230,790	209,874	20,916
Meals	450,000	400,000	371,148	28,852
Total expenditures	2,192,940	1,798,198	1,715,198	83,000
Deficiency of revenues over expenditures	(1,998,676)	(1,607,740)	(1,425,374)	182,366
Other Financing Sources				
Operating transfers in	1,998,676	1,607,740	1,425,374	(182,366)
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance				
Beginning of year			-	
End of year			<u>\$ -</u>	

See note to required supplementary information.

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
RURAL TRANSPORTATION FUND

Terrebonne Council on Aging, Inc.

For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 300,000	\$ 375,375	\$ 286,061	\$ (89,314)
Charges for services	13,500	14,000	13,050	(950)
Total revenues	313,500	389,375	299,111	(90,264)
Expenditures				
Current:				
Health and welfare:				
Salaries	301,659	385,170	253,555	131,615
Fringe	85,844	105,536	66,834	38,702
Travel	1,858	2,327	1,087	1,240
Operating services	216,798	226,285	166,289	59,996
Operating supplies	103,815	105,220	97,411	7,809
Total expenditures	709,974	824,538	585,176	239,362
Deficiency of revenues over expenditures	(396,474)	(435,163)	(286,065)	149,098
Other Financing Sources				
Operating transfers in	396,474	435,163	286,065	(149,098)
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

See note to required supplementary information.

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY REPORTING

Terrebonne Council on Aging, Inc.

For the year ended June 30, 2014

The Council adheres to the following procedures in establishing the budgetary data reflected in the financial statements.

- GOEA notifies the Council each year as to the funding levels for each program's award.
- The Council may also obtain funds from agencies other than GOEA and the Council considers the potential revenues to be earned under those grants.
- Projections are made of revenues from other sources based on past trends and data available to form expectations of future revenues.
- The Executive Director prepares a proposed budget based on the expected funding levels and then submits the budget to the Board of Directors for approval.
- The Board of Directors reviews and adopts the budget before May 31 of the current year for the next year.
- The adopted budget is forwarded to the GOEA for final approval.
- All budgetary appropriations lapse at the end of each fiscal year (June 30).
- Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. There was one amendment during the year.
- Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.
- The Council may transfer funds between line items as often as required but must obtain prior approval from the GOEA for funds received under grants from this state agency. As a part of this grant award, GOEA requires the Council to amend its budget in cases where actual costs for a particular cost category exceeded the budgeted amount by more than 10%. Otherwise, the excess costs could be labeled as unauthorized expenditures.

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY REPORTING
(continued)

Terrebonne Council on Aging, Inc.

For the year ended June 30, 2014

- Expenditures cannot legally exceed appropriations on an individual fund level.
- The Council has established policies requiring public participation in the budget process.
- The budget for special revenue funds is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.

Major funds, for which annual budgets are adopted, are included in the budget presentations in required supplementary information.

SUPPLEMENTARY INFORMATION SECTION

BALANCE SHEET - GOVERNMENTAL FUND -
GENERAL FUND PROGRAMS

Terrebonne Council on Aging, Inc.

June 30, 2014

	Programs of the General Fund		
	Ad Valorem Tax Monies	Act 735 Monies	Total
Assets			
Cash	\$ 20,166,543		\$ 20,166,543
Investments	772,136		772,136
Due from Terrebonne Parish Sheriff's Office	73,888		73,888
Taxes receivable	66,278		66,278
Other receivables	3,754		3,754
Due from other funds	63,416		63,416
Other current assets	19,084		19,084
Advances to component unit	480,307		480,307
Total assets	<u>\$ 21,645,406</u>	<u>\$ -</u>	<u>\$ 21,645,406</u>
Liabilities			
Accounts payable and accrued expenditures	\$ 93,463		\$ 93,463
Due to other funds	214,933		214,933
Unavailable revenue	3,226,761		3,226,761
Total liabilities	<u>3,535,157</u>		<u>3,535,157</u>
Fund Balance			
Nonspendable:			
Prepaid expenditures	3,500		3,500
Advances to component unit	480,307		480,307
Worker's compensation deposits	13,084		13,084
Restricted for home energy assistance	928		928
Committed for disaster relief	1,928,220		1,928,220
Assigned for special revenue projects	73,491		73,491
Unassigned	15,610,719		15,610,719
Total fund balance	<u>18,110,249</u>		<u>18,110,249</u>
Total liabilities and fund balance	<u>\$ 21,645,406</u>	<u>\$ -</u>	<u>\$ 21,645,406</u>

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - GOVERNMENTAL FUND - GENERAL FUND PROGRAMS**

Terrebonne Council on Aging, Inc.

For the year ended June 30, 2014

	General Fund Programs		
	Ad Valorem Tax Monies	Act 735 Monies	Total
Revenues			
Taxes - ad valorem	\$ 6,288,664		\$ 6,288,664
Intergovernmental:			
Federal Government:			
Department of Transportation	221,412		221,412
State of Louisiana:			
State revenue sharing	185,358		185,358
Office of Elderly Affairs - Act 735	-	\$ 45,498	45,498
Interest income	34,711	-	34,711
Public support:			
Contributions	4,630	-	4,630
Miscellaneous:			
Other	103,624	-	103,624
Total revenues	<u>6,838,399</u>	<u>45,498</u>	<u>6,883,897</u>
Expenditures			
Current:			
General government:			
Ad valorem tax deductions and adjustments	268,080	-	268,080
Health and welfare:			
Salaries	186,946	-	186,946
Fringe	44,225	-	44,225
Travel	3,312	-	3,312
Operating services	290,732	-	290,732
Operating supplies	32,302	-	32,302
Other costs	84,292	-	84,292
Capital outlay	490,113	-	490,113
Total expenditures	<u>1,400,002</u>	<u>-</u>	<u>1,400,002</u>
Excess of revenues over expenditures	<u>5,438,397</u>	<u>45,498</u>	<u>5,483,895</u>
Other Financing Sources (Uses)			
Insurance claims	9,207		9,207
Operating transfers in	2,091	-	2,091
Operating transfers out	(3,060,825)	(45,498)	(3,106,323)
	<u>(3,049,527)</u>	<u>(45,498)</u>	<u>(3,095,025)</u>
Net Change in Fund Balance	2,388,870	-	2,388,870
Fund Balance			
Beginning of year	15,721,379	-	15,721,379
End of year	<u>\$ 18,110,249</u>	<u>\$ -</u>	<u>\$ 18,110,249</u>

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

Terrebonne Council on Aging, Inc.

June 30, 2014

	<u>Special Revenue Funds</u>		
	<u>Title III C - Area Agency Administration Fund</u>	<u>Title III C-1 - Congregate Meals Fund</u>	<u>Title III D - Preventive Health Fund</u>
Assets			
Contracts receivable	\$ 2,304	\$ -	\$ -
Other receivables	-	153	-
Due from other funds	-	12,220	-
	<u>-</u>	<u>12,220</u>	<u>-</u>
Total assets	<u>\$ 2,304</u>	<u>\$ 12,373</u>	<u>\$ -</u>
Liabilities			
Accounts payable and accrued expenditures	\$ 763	\$ 12,373	\$ -
Due to other funds	1,541	-	-
	<u>1,541</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>2,304</u>	<u>12,373</u>	<u>-</u>
Fund Balances			
Restricted for:			
Prescription medication assistance	-	-	-
Donor purposes	-	-	-
Assigned for:			
Utility assistance	-	-	-
Special revenue purposes	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 2,304</u>	<u>\$ 12,373</u>	<u>\$ -</u>

Schedule 3

Special Revenue Funds			
Title III E - National Family Caregiver Program Fund	Helping Hands Fund	Audit Fund	Transportation Fund
\$ -	\$ -	\$	\$ 3,480
-	1,026		-
<u>3,215</u>	<u>8,448</u>		<u>-</u>
<u>\$ 3,215</u>	<u>\$ 9,474</u>	<u>\$ -</u>	<u>\$ 3,480</u>
\$ 3,215	\$ 5,000		\$ 2,702
<u>-</u>	<u>-</u>		<u>778</u>
<u>3,215</u>	<u>5,000</u>		<u>3,480</u>
-	-		-
-	-		-
-	4,474		-
<u>-</u>	<u>-</u>		<u>-</u>
<u>-</u>	<u>4,474</u>		<u>-</u>
<u>\$ 3,215</u>	<u>\$ 9,474</u>	<u>\$ -</u>	<u>\$ 3,480</u>

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

Terrebonne Council on Aging, Inc.

June 30, 2014

	<u>Special Revenue Funds</u>		
	<u>Senior RX Fund</u>	<u>Special Fund</u>	<u>Non-Emergency Medical Transportation Fund</u>
Assets			
Contracts receivable	\$ -	\$ -	\$ 409
Other receivables	-	4	-
Due from other funds	<u>5,909</u>	<u>23,985</u>	<u>-</u>
Total assets	<u>\$ 5,909</u>	<u>\$ 23,989</u>	<u>\$ 409</u>
Liabilities			
Accounts payable and accrued expenditures	\$ 3,750	\$ 1,856	\$ -
Due to other funds	<u>-</u>	<u>-</u>	<u>409</u>
Total liabilities	<u>3,750</u>	<u>1,856</u>	<u>409</u>
Fund Balances			
Restricted for:			
Prescription medication assistance	2,159	-	-
Donor purposes	-	6,946	-
Assigned for:			
Utility assistance	-	-	-
Special revenue purposes	<u>-</u>	<u>15,187</u>	<u>-</u>
Total fund balances	<u>2,159</u>	<u>22,133</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 5,909</u>	<u>\$ 23,989</u>	<u>\$ 409</u>

Schedule 3
(Continued)

Special Revenue Funds			
Medicare Improvement for Patients and Providers Act	Schriever Senior Center Fund	Capital Projects Fund	Total
\$ 4,600	\$ -	\$ -	\$ 10,793
-	-	-	1,183
-	-	11,925	65,702
<u>\$ 4,600</u>	<u>\$ -</u>	<u>\$ 11,925</u>	<u>\$ 77,678</u>
\$ 1,969	\$ -	\$ 1,026	\$ 32,654
2,631	-	-	5,359
<u>4,600</u>	<u>-</u>	<u>1,026</u>	<u>38,013</u>
-	-	-	2,159
-	-	10,899	17,845
-	-	-	4,474
-	-	-	15,187
<u>-</u>	<u>-</u>	<u>10,899</u>	<u>39,665</u>
<u>\$ 4,600</u>	<u>\$ -</u>	<u>\$ 11,925</u>	<u>\$ 77,678</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS

Terrebonne Council on Aging, Inc.

For the year ended June 30, 2014

	Special Revenue Funds		
	Title III C - Area Agency Administration Fund	Title III C-1 - Congregate Meals Fund	Title III D - Preventive Health Fund
Revenues			
Intergovernmental:			
State of Louisiana:			
Governor's Office of Elderly Affairs	\$ 23,672	\$ 174,638	\$ 5,748
Terrebonne Parish Consolidated Government	-	-	-
Charges for services	-	52	-
Public support:			
LA Councils on Aging	-	-	-
Contributions	-	12,562	-
Other	-	-	-
Miscellaneous:			
Program income	-	-	-
Total revenues	<u>23,672</u>	<u>187,252</u>	<u>5,748</u>
Expenditures			
Current:			
Health and welfare:			
Salaries	10,930	126,019	-
Fringe	2,397	43,062	-
Travel	195	1,534	-
Operating services	9,412	106,297	-
Operating supplies	738	24,347	-
Other costs	-	-	6,008
Meals	-	95,820	-
Capital Outlay	-	-	-
Total expenditures	<u>23,672</u>	<u>397,079</u>	<u>6,008</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(209,827)</u>	<u>(260)</u>
Other Financing Sources (Uses)			
Operating transfers in	-	209,827	260
Operating transfers out	-	-	-
Total other financing sources	<u>-</u>	<u>209,827</u>	<u>260</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule 4

Special Revenue Funds			
Title III E - National Family Caregiver Program Fund	Helping Hands Fund	Audit Fund	Transportation Fund
\$ 45,795	\$ -	\$ 2,398	\$ -
-	1,026	-	-
-	-	-	3,480
-	20,536	-	-
40	-	-	-
-	965	-	-
-	-	-	-
<u>45,835</u>	<u>22,527</u>	<u>2,398</u>	<u>3,480</u>
18,018	-	-	3,381
4,787	-	-	767
288	-	-	48
4,166	-	2,398	2,116
310	-	-	250
46,544	60,000	-	-
-	-	-	-
-	-	-	-
<u>74,113</u>	<u>60,000</u>	<u>2,398</u>	<u>6,562</u>
<u>(28,278)</u>	<u>(37,473)</u>	<u>-</u>	<u>(3,082)</u>
28,278	31,300	-	3,082
-	-	-	-
<u>28,278</u>	<u>31,300</u>	<u>-</u>	<u>3,082</u>
-	(6,173)	-	-
-	10,647	-	-
<u>\$ -</u>	<u>\$ 4,474</u>	<u>\$ -</u>	<u>\$ -</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**

Terrebonne Council on Aging, Inc.

For the year ended June 30, 2014

	Special Revenue Funds		
	Senior RX Fund	Special Fund	Non -Emergency Medical Transportation Fund
Revenues			
Intergovernmental:			
State of Louisiana:			
Governor's Office of Elderly Affairs	\$ 76,115	\$ -	\$ -
Terrebonne Parish Consolidated Government	-	-	-
Charges for services	-	-	-
Public Support:			
LA Councils on Aging	-	-	-
Contributions	-	1,267	-
Other	-	1,000	-
Miscellaneous:			
Program income	5,000	13,379	-
Total revenues	<u>81,115</u>	<u>15,646</u>	<u>-</u>
Expenditures			
Current:			
Health and welfare:			
Salaries	66,517	38,328	-
Fringe	18,128	6,712	-
Travel	1,314	213	-
Operating services	16,234	13,980	-
Operating supplies	4,655	14,675	-
Other costs	-	780	-
Meals	-	-	-
Capital outlay	-	3,638	-
Total expenditures	<u>106,848</u>	<u>78,326</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(25,733)</u>	<u>(62,680)</u>	<u>-</u>
Other Financing Sources (Uses)			
Operating transfers in	25,733	60,742	-
Operating transfers out	-	(2,091)	-
Total other financing sources	<u>25,733</u>	<u>58,651</u>	<u>-</u>
Net Change in Fund Balances	-	(4,029)	-
Fund Balances			
Beginning of year	<u>2,159</u>	<u>26,162</u>	<u>-</u>
End of year	<u>\$ 2,159</u>	<u>\$ 22,133</u>	<u>\$ -</u>

**Schedule 4
(Continued)**

<u>Special Revenue Funds</u>			
<u>Medicare Improvement for Patients and Providers</u>	<u>Scheiver Senior Center Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
\$ 15,840	\$ -	\$ -	\$ 344,206
-	-	-	1,026
-	-	-	3,532
-	-	-	20,536
-	-	-	13,869
-	-	-	1,965
-	100	-	18,479
<u>15,840</u>	<u>100</u>	<u>-</u>	<u>403,613</u>
10,755	-	-	273,948
2,782	-	-	78,635
121	-	-	3,713
1,648	-	-	156,251
80	391	-	45,446
960	-	-	114,292
-	-	-	95,820
-	-	-	3,638
<u>16,346</u>	<u>391</u>	<u>-</u>	<u>771,743</u>
<u>(506)</u>	<u>(291)</u>	<u>-</u>	<u>(368,130)</u>
506	-	-	359,728
-	-	-	(2,091)
<u>506</u>	<u>-</u>	<u>-</u>	<u>357,637</u>
-	(291)	-	(10,493)
-	291	10,899	50,158
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,899</u>	<u>\$ 39,665</u>

COMPARATIVE STATEMENT OF CAPITAL ASSETS
AND CHANGES IN CAPITAL ASSETS

Terrebonne Council on Aging, Inc.

For the year ended June 30, 2014

	Balance July 1, 2013	Additions	Adjustments/ Deletions	Balance June 30, 2014
Capital Assets, at Cost:				
Land	\$ 709,889			\$ 709,889
Construction in progress	643,904		\$ (643,018)	886
Buildings and leasehold improvements	4,870,572	\$ 1,046,247	-	5,916,819
Office furniture, fixtures and equipment	516,825	24,304	-	541,129
Vehicles, machinery and equipment	1,942,813	66,218	-	2,009,031
Total capital assets	<u>\$ 8,684,003</u>	<u>\$ 1,136,769</u>	<u>\$ (643,018)</u>	<u>\$ 9,177,754</u>
Investment in Capital Assets:				
Property acquired with funds from -				
General and Other Funds	\$ 3,569,135	\$ 1,136,769	\$ (643,018)	\$ 4,062,886
Capital Projects Fund	4,925,092	-	-	4,925,092
Title III C - 1 - Congregate Meals	2,502	-	-	2,502
Title III F - Disease Prevention and Health Promotion Services	1,800	-	-	1,800
Senior Citizens	161,513	-	-	161,513
Senior Rx	10,926	-	-	10,926
Disaster Assistance	13,035	-	-	13,035
Total investment in capital assets	<u>\$ 8,684,003</u>	<u>\$ 1,136,769</u>	<u>\$ (643,018)</u>	<u>\$ 9,177,754</u>

UNITS OF SERVICE**Terrebonne Council on Aging, Inc.**

For the years ended June 30, 2014 and 2013

(Unaudited)

	Units	
	2014	2013
Title III B - Supportive Services Fund:		
Information and Assistance	3,027	2,751
Personal Care	7,519	6,832
Outreach	477	440
Homemaker	3,060	3,021
Recreation	23,332	22,091
Transportation	32,596	30,159
Legal	99	112
Material Aid	38,656	49,158
Visiting	583	615
Telephone	1,771	2,033
Wellness	9,103	9,232
Title III C-1 - Congregate Meals Fund:		
Congregate Meals	35,808	30,937
Title III C-2 - Home Delivered Meals Fund:		
Home Delivered Meals	150,122	147,439
Title III D - Preventive Health Fund:		
Wellness	41	39
Med Management	292	302
Title III E - National Family Caregiver Program Fund:		
Information and Assistance	247	215
Caregiver Services	2,316	1,973
Material Aid	353	310
Social Services Block Grant		
Utility Assistance	600	750

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors,
Terrebonne Council on Aging, Inc.,
Houma, Louisiana.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Terrebonne Council on Aging, Inc. (the Primary Government), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Primary Government's basic financial statements and have issued our report thereon dated December 4, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Primary Government's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Primary Government's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Primary Government's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency, is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention of those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that are material weaknesses or, significant deficiencies. Given those limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Primary Government's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain matters that we reported to management of the Primary Government in a separate letter dated December 4, 2014.

Primary Government's Response to Findings

The Primary Government's responses to the comments are described in the accompanying schedule of findings and questioned costs. We did not audit the Primary Government's response and, accordingly, we express no opinion on the response.

Purpose of this Report

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Primary Government's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suited for any other purpose.

Bourgeois Bennett, L.L.C.
Certified Public Accountants.

Houma, Louisiana,
December 4, 2014.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors,
Terrebonne Council on Aging, Inc.,
Houma, Louisiana.

Compliance

We have audited the compliance of the Terrebonne Council on Aging, Inc., (the Primary Government) a component unit of Terrebonne Parish Consolidated Government, State of Louisiana with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of the Primary Government's major federal programs for the year ended June 30, 2014. The Primary Government's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on the compliance for each of the Primary Government's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the Primary Government's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the Primary Government's compliance.

Opinion on Each Major Federal Program

In our opinion, the Primary Government complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal program for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the Primary Government is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirement referred to above. In planning and performing our audit, we considered the Primary Government's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each federal major program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Primary Government's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph in this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weakness. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Certified Public Accountants.

Houma, Louisiana,
December 4, 2014.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Terrebonne Council on Aging, Inc.
(The Primary Government)

For the year ended June 30, 2014

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Grant Year Ended	Program or Award Amount	Federal Revenue Recognized	Federal Expenditures
Terrebonne Council on Aging, Inc.					
Department of Transportation:					
<u>Pass-Through Program From:</u>					
<u>Louisiana Department of Transportation and Development</u>					
<u>Terrebonne Parish Consolidated Government:</u>					
Public Transportation Operating Assistance Program for the Non-Urbanized Area	20.509	6/30/2014	\$ 286,061	\$ 286,061	\$ 286,061
Public Transportation Capital Assistance Program for the Non-Urbanized Area-ARRA	20.509	6/30/2014	865,550	221,412	221,412
Total Department of Transportation			1,151,611	507,473	507,473
Department of Health and Human Services:					
Administration on Aging:					
<u>Pass-Through Program From:</u>					
<u>Louisiana Governor's Office of Elderly Affairs:</u>					
Aging Cluster:					
Title III, Part B - Supportive Services and Senior Centers	93.044	6/30/2014	101,492	101,492	101,492
Title III, Part C - Nutrition Services (Area Agency Administration)	93.045	6/30/2014	20,668	17,753	17,753
Title III, Part C-1 - Nutrition Services (Congregate Meals)	93.045	6/30/2014	102,693	102,693	102,693
Title III, Part C-2 - Nutrition Services (Home Delivered Meals)	93.045	6/30/2014	74,552	74,552	74,552
Subtotal CFDA #93.045			197,913	194,998	194,998
Nutrition Services Incentive Program	93.053	6/30/2014	128,210	128,210	128,210
Total Aging Cluster			427,615	424,700	424,700
Special Programs for the Aging:					
Title III, Part D - Preventive Health Services	93.043	6/30/2014	5,748	5,748	5,748
Title III, Part E - National Family Caregiver Program	93.052	6/30/2014	34,346	34,346	34,346
Affordable Care Act, Medicare Improvements for Patients and Providers	93.518	6/30/2014	17,800	15,840	15,840
Total Department of Health and Human Services			485,509	480,634	480,634
Total Terrebonne Council On Aging, Inc.			\$ 1,637,120	\$ 988,107	\$ 988,107

See notes to Schedule of Expenditures of Federal Awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Terrebonne Council on Aging, Inc. (The Primary Government)

For the year ended June 30, 2014

Note 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of Federal awards includes the Federal grant activity of the Terrebonne Council on Aging, Inc. (the Primary Government), and is presented on the modified accrual basis of accounting. Awards passed through the Louisiana Governor's Office of Elderly Affairs report Federal awards only, while all other awards include state and local matching amounts. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements.

Note 2 - FINDINGS OF NONCOMPLIANCE

There were no Federal award findings or questioned costs reported during the audit of the financial statements for the year ended June 30, 2014.

Note 3 - SUBRECIPIENTS

The Terrebonne Council on Aging, Inc. did not pass-through any of its Federal awards to a subrecipient during the fiscal year.

Note 4 - NON-CASH ASSISTANCE

No Federal awards were expended in the form of non-cash assistance during the fiscal year.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Terrebonne Council on Aging, Inc. (The Primary Government)

For the year ended June 30, 2014

Section I Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified that are not
considered to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

b) Federal Awards

Internal control over major programs:

- Material weakness (es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified that are not
considered to be material weaknesses? ☐ yes ☒ none reported

Type of auditor's report issued on compliance for major program: Unmodified

Any audit findings disclosed that are required to be
Reported in accordance with section 510 (a) of
Circular A-133? ☐ yes ☒ no

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(continued)

Terrebonne Council on Aging, Inc. (The Primary Government)

For the year ended June 30, 2014

Section I Summary of Auditor's Results (continued)

c) Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
93.044	Special Programs for the Aging: – Title III, Part B-Grants for Supportive Services and Senior Centers
93.045	Special Programs for the Aging – Title III, Part C – Nutrition Services
93.053	Nutrition Services Incentive Program

Dollar threshold used to distinguish between
Type A and Type B programs:

\$300,000

Auditee qualified as low-risk auditee?

X yes no

Section II Financial Statement Findings

No financial statement findings were noted during the audit of the financial statements for the year ended June 30, 2014.

Section III Federal Award Findings and Questioned Costs

There were no Federal award findings or questioned costs reported during the audit for the year ended June 30, 2014.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

Terrebonne Council on Aging, Inc. (The Primary Government)

For the year ended June 30, 2014

Section I Internal Control and Compliance Material to the Basic Financial Statements

Internal Control

No material weaknesses were noted during the audit for the year ended June 30, 2013.

No significant deficiency(ies) were reported during the audit for the year ended June 30, 2013.

Compliance

No compliance findings material to the basic financial statements were noted during the audit for the year ended June 30, 2013.

Section II Internal Control and Compliance Material to Federal Awards

There were no federal award findings or questioned costs reported during the audit for the year ended June 30, 2013.

Section III Management Letter

A management letter was not issued in connection with the audit for the financial statements for the year ended June 30, 2013.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Terrebonne Council on Aging, Inc. (The Primary Government)

For the year ended June 30, 2014

Section I Internal Control and Compliance Material to the Basic Financial Statements

Internal Control

No material weaknesses were noted during the audit for the year ended June 30, 2014.
No significant deficiency(ies) were reported during the audit for the year ended June 30, 2014.

Compliance

No compliance findings material to the basic financial statements were noted during the audit for the year ended June 30, 2014.

Section II Internal Control and Compliance Material to Federal Awards

There were no Federal award findings on questioned costs reported during the audit for the year ended June 30, 2014.

Section III Management Letter

14-01 Recommendation – We recommend that the Council comply with GOEA budget requirements which state the Council should amend its budget in cases where actual costs for a particular cost category exceed the budgeted amount by more than 10%.

Management's Response – Management will abide by GOEA budget requirements by amending its budget to so particular budgeted cost categories do not exceed 10% of actual.